

MINUTES OF MEETING OF STATE BUILDING COMMISSION

EXECUTIVE SUB-COMMITTEE

FEBRUARY 25, 2002

The State Building Commission Executive Sub-committee met this day in the Executive Conference Room, Ground Floor, State Capitol, Nashville, Tennessee, at 2:00 p.m., with the following State Building Commission Sub-committee members and departments present.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

C. Warren Neel, Commissioner, Department of Finance and Administration
John Morgan, Comptroller of the Treasury
Riley Darnell, Secretary of State

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

Steve Adams, State Treasurer

OTHERS PRESENT

Michael A. Fitts, State Architect
Georgia Martin, Department of Finance and Administration
Larry Kirk, Department of Finance and Administration
Charles Garrett, Department of Finance and Administration
Gloria Rittenberry, Department of Finance and Administration
Jurgen Bailey, Department of Finance and Administration
Charles Harrison, Comptroller's Office
Janie Porter, Attorney General's Office
Genie Whitesell, Attorney General's Office
Debbie Dunn, Department of Children's Services
Jan Sylvis, Department of Finance and Administration
Pat Haas, Bond Finance
Russ Deaton, THEC
George Brummett, Department of Finance and Administration
Jerry Preston, Tennessee Board of Regents
Duane Hawkins, Department of Finance and Administration

Martha Staley, Department of Finance and Administration
Bob King, Department of Finance and Administration
Keith Robinson, Tennessee Board of Regents
Dennis Raffield, THEC
Mark Wood, Secretary of State's Office
Debra Gafford, Department of Safety
Barbara Allen, Department of Veterans Affairs
Wendell Gilbert, Department of Veterans Affairs
Leonard Burton, Department of Children's Services
Ken Scalf, Department of Finance and Administration
Eddie Nikazy, Department of Finance and Administration

Commissioner Neel called the meeting to order at 2:06 p.m. and requested action on the following matters as presented by State Architect Michael A. Fitts.

TENNESSEE BOARD OF REGENTS

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL of interest in real property as required by TCA 4-15-102 and 12-2-112.

Description: **Hamblen County – 1.377 +/- Acres and Improvement – Warren Drive, Morristown, TN – Trans. No. 01-03-008 (DR)**

Purpose: Disposal of the President's residence at Walters State Community College.

Original Cost
to State: \$56,800

Date of Original
Conveyance: May 1971

Grantor
Unto State: Joseph and Velda Smith

Estimated
Sale Price: Pending Bid

Grantee: Pending Advertisement

SSC Report: 04-16-01. Charles Garrett presented the transaction for review. Jerry Preston stated there are (3) remaining residences – Dyersburg State Community College, Roane State Community College, and Motlow State Community College (MSCC). He stated MSCC would be coming to staff for review in the next month. Staff referred to Sub-Committee with recommendation.

SC Action: 4-23-01. Charles Garrett presented the transaction for review. Sub-Committee approved the transaction as presented. Final Action.

Revise Previous
Approval: Request approval to accept an offer less than appraised value. Property appraised for \$235,000.00, was advertised with bid opening on September 5, 2001, and no bids were received. On September 13, 2001, Real Property Management received an offer of \$185,199.00 and after consulting with the TBR and the appraiser, it is recommended the offer be accepted.

Tennessee Board of Regents – continued:

- SSC Report: 10-15-01. Charles Garrett presented the transaction for review. Discussion centered around the appraised value and the offer received after the transaction was advertised. After discussion, Staff recommended the property be readvertised with the minimum acceptable bid of \$185,199.00 and referred to Sub-Committee with recommendation.
- SC Action: 10-29-01. Charles Garrett presented the request to revise the previous approval. Sub-committee member's discussion centered around the market value and the TBR's housing policy. Jerry Preston, agency representative, stated that it is TBR's policy to advertise and sell Presidents' homes when the opportunity comes up. He stated that Roane State Community College and Dyersburg State Community College are the only remaining 2-year colleges that have not come forward for approval for disposal. Commissioner Neel asked if the Presidents have been told of the policy and whether or not there is a timeline for disposal. Mr. Preston stated the institutions know the TBR policy regarding housing and that there is no timeline for the two remaining institutions. Sub-Committee approved the request to re-advertise with a set minimum bid as recommended by staff and to come back with a report of bids received for final approval.
- Comment: Subsequent to Sub-Committee approval of October 29, 2001, the property was re-advertised on 1/13/2002 and 1/20/2002 with a minimum acceptable amount of \$185,199.00. Bid opening was 1/30/2002 with only one (1) bid received. The only bid was from the same person who offered \$185,199.00 in September 2001. The amount bid this advertisement was \$185,699.99.
- SSC Report: 02-15-02. Referred to Sub-Committee with recommendation.
- SC Action: 02-25-02. Sub-Committee approved the transaction as recommended. Final action.

MIDDLE TENNESSEE STATE UNIVERSITY, MURFREESBORO, TENNESSEE

- 1) Approved a request for a revision in funding and acknowledgment of the source of funding for **Jones Hall Ceiling Emergency Replacement** at Middle Tennessee State University in Murfreesboro, Tennessee.

Estimated Project Cost: \$ 250,000.00
SBC Project No. 166/009-04-01

DISCUSSION OF BIDS

- 1) **Middle Tennessee State University**
(Honors College New Construction)
SBC Project No. 166/009-05-00
Bid date: 02/20/02
Subcommittee action: No action required

DEPARTMENT OF VETERAN AFFAIRS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AMENDMENT for the rental of real property as required by TCA 12-2-115:

Location: Davidson County – 215-8th Avenue North, Nashville, TN – Trans. No. 02-01-902 (JS)

Purpose: To provide compensation to Lessor for additional expense associated with additional personnel for the Office of Homeland Security

Term: January 1, 2002 thru December 31, 2006 (5 yrs.)

Proposed Amount:	<u>3,772 Square Feet</u>		
	Annual Contract Rent Incl.		
	Utility and Janitorial Cost:	<u>\$40,800.00</u>	<u>@\$10.82/sf</u>
	Total Annual Effective Cost:	<u>\$40,800.00</u>	<u>@\$10.82/sf</u>

Current Amount	<u>3,772 Square Feet</u>		
	Annual Contract Rent Incl.		
	Utility and Janitorial Cost:	<u>\$38,400.00</u>	<u>@\$10.18/sf</u>
	Total Annual Effective Cost:	<u>\$38,400.00</u>	<u>@\$10.18/sf</u>

Type: Lease Amendment No. 1

FRF Rate: \$18.00 Per Square Foot – Central Business District

Lessor: The American Legion Department of Tennessee

Comment: Lessor requests an additional \$200.00 per month to compensate for additional expenses related to the Office of Homeland Security. The proposed amendment provides that rent will decrease by the \$200.00 per month should Homeland Security move from the premises. All other terms and conditions remain the same.

SSC Report: 02-15-02. Referred to Sub-Committee with recommendation.

SC Action: 02-25-02. Charles Garrett presented the transaction for review and approval and introduced Commissioner Gilbert. Commissioner Gilbert requested approval due to additional expenses related to Homeland Security. Sub-Committee approved the request as recommended. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 1925 South Third, Memphis, TN – Trans. No. 01-10-913 (TH)

Purpose: To provide office and related space for area operation

Term: January 1, 2003 thru December 31, 2012 (10 yrs.)

Proposed Amount:	<u>22,000 Square Feet</u>		
	Annual Contract Rent:	\$189,420.00	@\$ 8.61/sf
	Est. Annual Utility Cost:	\$ 30,800.00	@\$ 1.40/sf
	Est. Annual Janitorial Cost:	<u>\$ 24,200.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$244,420.00	@\$11.11/sf

Current Amount:	<u>4,050 Square Feet</u>		
	Annual Contract Rent Incl.		
	Utility Cost:	\$60,750.00	@\$15.00/sf
	Est. Annual Janitorial Cost:	<u>\$ 4,455.00</u>	<u>@\$ 1.10/sf</u>
	Total Annual Effective Cost:	\$65,205.00	@\$16.10/sf

Type: New Lease – Advertisement – Lowest of (8) Proposals from (4) Proposers (Six Conforming and Two non-Conforming)

FRF Rate: \$16.00 – Central Business District

Lessor: Union Realty Company, GP

Comment: The proposed lease provides the Lessor will make renovations and interior build-out at no additional cost to the State. Further, the proposed lease provides for no cancellation during the first (5) years except for cause and/or funding and 180 days notice thereafter.

SSC Report: 02-15-02. Referred to Sub-Committee with recommendation.

SC Action: 02-25-02. Sub-Committee approved the transaction as recommended. Final action.

DEPARTMENT OF SAFETY

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE EXTENSION for the rental of real property and WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Davidson County – 44 Vantage Way, Nashville, TN – Trans. No. 94-09-901 (EN)

Purpose: Lease extension for the Division of Title and Registration construction of a State facility for the Division's operation

Term: September 1, 2002 thru August 31, 2005 (3 yrs.)

Proposed Amount: 42,404 Square Feet
Annual Contract Rent Incl.
Utility & Janitorial Cost: \$604,257.00 @\$14.25/sf
Total Annual Effective Cost: \$604,257.00 @\$14.25/sf

Current Amount: 42,404 Square Feet
Annual Contract Rent Incl.
Utility & Janitorial Cost: \$572,454.00 @\$13.50/sf
Total Annual Effective Cost: \$572,454.00 @\$13.50/sf

Type: Lease Extension - Negotiated

FRF Rate: \$18.00 Per Square Foot – Suburban

Lessor: ATAPCO Vantage, Inc. – Current Lessor

Comment: The proposed lease extension provide for no cancellation during the first 24 months of the lease except for cause and/or funding and 180 days notice thereafter.

SSC Report: 02-15-02. Referred to Sub-Committee with recommendation.

SC Action: 02-25-02. Charles Garrett summarized the transaction. After review and discussion, Sub-Committee approved the request as recommended. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

LAND ITEM

Review of a request for **APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT**, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: **Shelby County – 1.7 +/- Acres with a 17,500 s.f. Office Building – 32 West End Crump Blvd., Memphis, TN – Trans. No. 02-01-012 (DR)**

Purpose: Acquisition in Fee of State lease facility occupied by the TN Board of Probation and Parole

Source of Funding: Facilities Revolving Fund (501.04) – FY2002

Estimated Cost: Pending Appraisal

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): Pedigo-Memphis Properties, LP

Comment: The State's lease provides an Option to Purchase during the first year of occupancy in the amount of \$1,600,000.00.

SSC Report: 02-15-02. Referred to Sub-Committee with recommendation.

SC Action: 02-25-02. Sub-Committee approved the transaction as recommended subject to appraisal. Final action.

DEPARTMENT OF FINANCE & ADMINISTRATION

SPECIAL ITEM

Discussion regarding a proposed contractual arrangement with Metropolitan Nashville for future replacement of the Nashville Thermal Transfer Plant.

SSC Report: 02-15-02. Charles Harrison summarized the contractual arrangement with Metropolitan Nashville. Staff referred to Sub-Committee with recommendation.

SC Action: 02-25-02. Larry Kirk summarized the project. Charles Harrison presented a handout for review and discussion. Mr. Harrison summarized the handout. Sub-Committee members commended staff for a job well done and referred the transaction to the next full State Building Commission meeting.

DEPARTMENT OF FINANCE & ADMINISTRATION

FOSTER AVENUE COMPLEX, NASHVILLE, TENNESSEE

- 1) Approved a project and acknowledgment of the source of funding for **Old Cafeteria Demolition** at the Foster Avenue Complex, Nashville, with work to be accomplished by Tennessee Architectural Services.

Estimated Project Cost: \$350,000.00
SBC Project No. 529/021-02-02

STATE BUILDING COMMISSION

MINUTES OF MEETING OF STATE BUILDING COMMISSION

- 1) Approved the Minutes of the State Building Commission Executive Sub-committee meeting held on January 22, 2002.

Following approval of the Consent Agenda, the meeting adjourned at 2:33 p.m.

CONSENT AGENDA

Approved the following real property transactions that have been reviewed and recommended for approval by Sub-Committee staff:

- A. Agency: Department of Transportation – Scott County
Trans.: Disposal by Lease
Provision: Waiver of Advertisement and Appraisals
- B. Agency: TN Wildlife Resource Agency – Giles County
Trans.: Acquisition by Lease
Provision: Waiver of Advertisement and Appraisal
- C. Agency: TN Wildlife Resource Agency – Jefferson County
Trans.: Disposal by Easement with Right-of-Entry
Provision: Waiver of Advertisement and Appraisals
- D. Agency: TN Wildlife Resource Agency – Gibson County
Trans.: Acquisition by Gift
Provision: Waiver of Appraisal
- E. Agency: TN Wildlife Resource Agency – Anderson County
Trans.: Acquisition in Fee
- F. Agency: Department of Financial Institutions – Knox County
Trans.: Lease Agreement
- G. Agency: TN Bureau of Investigation – Knox County
Trans.: Lease Agreement
- H. Agency: Department of Human Services – Jefferson County
Trans.: Lease Agreement
- I. Agency: Department of Children's Services – Shelby County
Memphis and Shelby County Community Service Agency
Trans.: Lease Agreement
- J. Agency: Secretary of State – Washington County
Trans.: Lease Agreement

DEPARTMENT OF TRANSPORTATION

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by LEASE of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS as required by TCA 4-15-102 and 12-2-112.

Description: Scott County – 0.58 +/- Acres – Highway 27 Right-of-Way, Huntsville, TN – Trans. No. 02-01-004 (BM)

Purpose: Disposal by Lease to provide concrete boat access ramp and parking on right-of-way under and near the bridge over the New River

Term: Fifteen (15) years – 90 day cancellation by either party

Consideration: \$1.00 – Public Purpose

Lessee: Scott County

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for **APPROVAL to ACQUIRE by LEASE, with WAIVER of ADVERTISEMENT and APPRAISAL**, required interest in the following real property:

Description: **Giles County – 0.937 +/- Acres – Richland Creek, near Harwell, TN – Trans. No. 02-01-009 (CH)**

Purpose: Acquisition by Lease for development of a public access area for the promotion of fishing and related activities

Source of Funding: Wetland Funds

Term: Twenty-five (25) Years with Option to Renew for an additional (25) years

Estimated Cost: \$1.00 – Public Purpose

Owner(s): James M. Newby

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL of the following DISPOSAL by EASEMENT of interest in real property with WAIVER of ADVERTISEMENT and APPRAISALS and APPROVAL of a RIGHT-OF-ENTRY as required by TCA 4-15-102 and 12-2-112.

Description: Jefferson County – 1.5 +/- Acres – Cherokee Lake Boat Ramp – Trans. No. 02-01-007 (CH)

Purpose: Disposal by Easement for construction of a below ground sewer line

Estimated Sale Price: Grant – Public Purpose

Grantee: City of Jefferson City

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, SURVEY, with WAIVER of APPRAISAL, and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property:

Description: **Gibson County – 307.0 +/- Acres – near Trenton, TN – Trans. No. 02-01-008 (CH)**

Purpose: Acquisition in Fee of gift property for a Wildlife Management Area

Source of Funding: Wetland Funds

Estimated Cost: Gift

Estimated Title
And Survey Fees: Pending Bid

Owner(s): Farm Service Agency (formerly Farmers Home Administration)

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

TENNESSEE WILDLIFE RESOURCE AGENCY

LAND ITEM

Review of a request for APPROVAL to OBTAIN TITLE WORK, APPRAISAL, SURVEY and EXERCISE OPTION to ACQUIRE or ACCEPT as GIFT, required interest in the following real property, not to exceed the appraised value for the property being acquired:

Description: Anderson County – 32.0 +/- Acres – Miller Island, Clinch River – Trans. No. 02-01-011 (CH)

Purpose: Acquisition in Fee of Miller Island to insure access for fishing and wildlife observation

Source of Funding: License Funds

Estimated Cost: Pending Appraisal

Estimated Title,
Appraisal and
Survey Fees: Pending Bid

Owner(s): The Conservation Fund

Comment: Miller Island is (2) islands on the Clinch River downstream from Norris Dam. Undetermined future ownership puts this wading area in jeopardy. The island will be developed for wildlife observation with funding by TVA

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

DEPARTMENT OF FINANCIAL INSTITUTIONS

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Knox County – 9047 Executive Park Drive, Knoxville, TN – Trans. No. 01-09-911 (JS)

Purpose: To provide office and related space for area operations

Term: April 1, 2002 thru March 31, 2012 (10 yrs.)

Proposed Amount: 4,964 Square Feet
Avg. Annual Contract Rent Incl.
Utility and Janitorial Cost: \$65,773.00 @\$13.25/sf
Avg. Total Ann. Effective Cost: \$65,773.00 @\$13.25/sf

Current Amount: 2,139 Square Feet
Annual Contract Rent: \$17,112.00 @\$ 8.00/sf
Est. Annual Utility Cost: \$ 2,353.00 @\$ 1.10/sf
Est. Janitorial Cost: \$ 2,353.00 @\$ 1.10/sf
Total Annual Effective Cost: \$21,818.00 @\$10.20/sf

Type: New Lease – Advertisement – Lowest of (2) Proposals from (2) Proposers

FRF Rate: \$14.00 Per Square Foot – Suburban

Lessor: All Eleven

Comment: The proposed lease provides the Lessor shall make upgrade and improvements at no additional cost to the State. Further, the Lease provides for no cancellation during the first (5) years of the lease except for cause and/or funding and 180 days notice thereafter. The proposed lease also provide for a 3% rent increase after the 5th year for the remainder of the lease term.

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

TENNESSEE BUREAU OF INVESTIGATION

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Knox County – 4420 Whittle Springs Road, Knoxville, TN – 01-05-908 (JS)

Purpose: To provide office and related space for area operation

Term: March 1, 2002 thru February 28, 2007 (5 yrs.)

Proposed Amount: 6,256 Square Feet
Annual Contract Rent: \$75,000.00 @\$11.98/sf
Est. Annual Utility Cost: \$ 8,758.00 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 6,882.00 @\$ 1.10/sf
Total Annual Effective Cost: \$90,640.00 @\$14.48/sf

Current Amount: 3,128 Square Feet
Annual Contract Rent: \$34,408.00 @\$11.00/sf
Est. Annual Utility Cost: \$ 4,379.20 @\$ 1.40/sf
Est. Annual Janitorial Cost: \$ 3,440.80 @\$ 1.10/sf
Total Annual Effective Cost: \$42,228.00 @\$13.50/sf

Type: New Lease – Advertisement – Lowest of (2) Proposals from (2) Proposers

FRF Rate: \$14.00 Per Square Foot – Suburban

Lessor: Southland Commercial Group VII, LLC – Current Lessor

Comment: The proposed lease provides the Lessor will make improvements at no additional cost to the State. Further, the proposed lease provide for no cancellation during the first (3) years except for cause and/or funding and 180 days notice thereafter.

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

DEPARTMENT OF HUMAN SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Jefferson County -- 1050 South Hwy. 92, Dandridge, TN -- Trans. No. 01-07-907 (JS)

Purpose: To provide office and related space for county operation

Term: May 1, 2002 thru April 30, 2007 (5 yrs.)

Proposed Amount: 8,500 Square Feet

Annual Contract Rent:	\$63,750.00	@ \$ 7.50/sf
Est. Annual Utility Cost:	\$11,900.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 9,350.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$85,000.00	@ \$10.00/sf

Current Amount: 8,500 Square Feet

Annual Contract Rent:	\$55,250.00	@ \$ 6.50/sf
Est. Annual Utility Cost:	\$11,900.00	@ \$ 1.40/sf
Est. Annual Janitorial Cost:	<u>\$ 9,350.00</u>	<u>@ \$ 1.10/sf</u>
Total Annual Effective Cost:	\$76,500.00	@ \$ 9.00/sf

Type: New Lease -- Advertisement -- Lowest of (3) Proposals from (2) Proposers

FRF Rate: \$10.25 Per Square Foot

Lessor: Elnora T. Weaver -- Current Lessor

Comment: The proposed lease provides the Lessor will make improvements at no additional cost to the State. Further, the proposed lease provides for no cancellation during the entire term of the lease except for cause and/or funding.

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

DEPARTMENT OF CHILDREN'S SERVICES

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property as required by TCA 12-2-115:

Location: Shelby County – 1407 Union Avenue, Memphis, TN – Trans. No. 02-01-920

Purpose: To provide office and related space for area operations of the Memphis and Shelby County Community Service Agency

Term: April 1, 2002 thru March 31, 2007 (5 yrs.)

Proposed Amount: 21,806 Square Feet
Annual Contract Rent Incl.
Utility and Janitorial Cost: \$253,022.00 @\$11.60/sf
Total Annual Effective Cost: \$253,022.00 @\$11.60/sf

Current Amount: 21,806 Square Feet
Annual Contract Rent Incl.
Utility & Janitorial Cost: \$250,445.70 @\$11.48/sf
Total Annual Effective Cost: \$250,445.70 @\$11.48/sf

Type: New Lease – Advertisement – Lowest/Only Proposal

FRF Rate: \$16.00 Per Square Foot – Central Business District

Lessor: Mid Memphis Tower, LP – Current Lessor

Comment: The proposed lease provides the MSCCSA will reimburse Lessor, as additional rent, increases in real estate taxes over calendar year 2001 and operating costs limited to five (5) percent beginning in calendar year of 2002.

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

SECRETARY OF STATE

LEASE AGREEMENT

Review of a request for APPROVAL of the following LEASE AGREEMENT for the rental of real property with WAIVER of ADVERTISEMENT as required by TCA 12-2-115:

Location: Washington County – 2700 South Roan Street, Johnson City, TN – Trans. No. 02-02-903 (EN)

Purpose: To provide library, office and related space for the Watauga Regional Library

Term: May 1, 2002 thru April 30, 2007 (5 yrs.)

Proposed Amount: 3,200 Square Feet
Annual Contract Rent : \$24,000.00 @\$7.50/sf
Est. Annual Utility Cost: \$ 3,520.00 @\$1.10/sf
Est. Annual Janitorial Cost: \$ 3,520.00 @\$1.10/sf
Total Annual Effective Cost: \$31,040.00 @\$9.70/sf

Current Amount: 3,200 Square Feet
Annual Contract Rent: \$23,196.00 @\$7.25/sf
Est. Annual Utility Cost: \$ 3,520.00 @\$1.10/sf
Est. Annual Janitorial Cost: \$ 3,520.00 @\$1.10/sf
Total Annual Effective Cost: \$30,236.00 @\$9.45/sf

Type: New Lease - Negotiated

FRF Rate: \$13.50 Per Square Foot


Lessor: Haws/Little Properties – Current Lessor

Comment: The proposed lease provides for no cancellation during the entire term of the lease except for cause and/or funding. Further, the lease provides that water and sewer are furnished by the Lessor.

SSC Report: 02-15-02. Referred to Sub-Committee for consent agenda.

SC Action: 02-25-02. Approved as presented. Final action.

APPROVED BY:



G. Warren Neel, Ph.D., Commissioner
Department of Finance and Administration